

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
August 12, 2003  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on August 12, 2003 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Elzie Higginbottom and Members Gary Peterlin, Violet Clark, and William Dugan.

Chairman Higginbottom convened the August 12, 2003 Regular Meeting at 9:37 A.M. in the 3<sup>rd</sup> floor Board Conference Room. Member Peterlin moved that **pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, the Board retire to Closed Session to discuss the items listed under Closed Session on today's (August 12, 2003) agenda and relating to the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Clark seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 2:30 P.M.

Member Clark moved that **the Board approve the following open session minutes of its Regular Meeting of July 18, 2003 and Special Meeting of July 24, 2003.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Member Peterlin moved **that all portions of the closed session minutes of the Illinois Gaming Board from January 21, 2003 through and including June 20, 2003, for which the need for confidentiality no longer exists, be made available for public inspection in accordance with the Open Meetings Act.** Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

## Chairman's Report

Chairman Higginbottom stated that the Board has taken a serious look at the request of the licensees that have requested changes in their hours of operation. Chairman Higginbottom stated that if the licensees' request is granted, it could result in the loss of employment for some casino employees. Chairman Higginbottom stated that several licensees have already laid off a number of employees as a result of the tough economic times. Chairman Higginbottom stated that this is a matter that is not being taken lightly by the Board. Chairman Higginbottom stated that the Board is mandated to make sure that the integrity of gaming in Illinois is protected and also to collect taxes on the operating riverboats. Chairman Higginbottom stated that the Board is looking at ways and working with the licensees to make sure that the gaming business can be protected in light of the tough economic times and in light of the issues as it relates to changes in the taxes. Chairman Higginbottom stated that the Board is looking at all sides. Chairman Higginbottom stated that the Board wants to make sure that the State is protected and that the revenues from the facilities are protected for the citizens of the State of Illinois. Chairman Higginbottom stated that the licensees have been very cooperative in the discussions with the Board and Staff and are working with the Board and Staff to try to come up with imaginative ways to make sure that they can protect revenue as well.

## Administrator's Report

Interim Administrator, Jeannette Tamayo, announced that the Department of Revenue and the Governor's office have requested that Staff identify another strategic plan. Interim Administrator Tamayo stated that IGB's last strategic plan was developed in August of 2001. Interim Administrator Tamayo stated that Staff met to revise the strategic plan, and have come up with four points for the Gaming Board: (1) to ensure fair gaming in a safe environment; (2) to ensure that individuals and entities engaged in gaming are suitable; (3) to maintain the integrity of tax fee payment collection and distribution process; and (4) to maximize revenues from the ten operational licenses.

Interim Administrator Tamayo stated that Staff has been advised that the Gaming Committee will be holding a hearing on September 2, 2003 at 10:00 A.M. and that the Gaming Board has been requested to present testimony at that time. Interim Administrator Tamayo stated that the subject matter is to lay out the impact of the legislation that was passed in the spring. Interim Administrator Tamayo stated that Staff would also be discussing how some of the external budget issues have impacted on the licensees and how the operational changes may be impacting the projected budget revenue.

Gene O'Shea, who is the Acting Director of the Self-Exclusion Program, provided the Board and the public with an annual report on the Self-Exclusion Program. Mr. O'Shea stated that to date, there are 812 persons enrolled in the program. Mr. O'Shea stated that there are 22 enrollment sites for self-exclusion throughout the State of Illinois. Mr. O'Shea stated that in comparison to other states throughout the country, it is his belief that the State of Illinois has more enrollment sites than any other state.

Mr. O'Shea stated that Staff has been cooperating with other jurisdictions since the self-exclusion program began. Mr. O'Shea stated that other states such as Indiana and New York, are starting a self-exclusion program and have requested assistance from Staff.

Mr. O'Shea stated that he has set some goals for the self-exclusion program for the next year. Mr. O'Shea stated that Staff would like to increase the profile of the program. Mr. O'Shea stated that Staff is also looking into the idea of creating a combined database with other states such as Indiana and Missouri. Mr. O'Shea stated that Staff is also looking into some new funding initiatives to help out the organizations that have helped the Gaming Board with the Self-Exclusion Program, such as the Outreach Foundation and the Illinois Council.

### Public Commentary

Anita Bedell, Executive Director, Illinois Church Action on Alcohol & Addiction Problems was present to discuss Senate Bill 1607 and whether or not the change in the Bill gives the Board the authority to permit the casinos in Rock Island, Alton, and East St. Louis to relocate.

Ms. Bedell stated that she appreciates the fact that the Board has committed to looking carefully into the licensees' request to change their hours of operation. Ms. Bedell urged the Board to continue to strictly regulate these practices.

Tom Swoik, Executive Director, Illinois Casino Gaming Association was present to discuss the positive things that are going on with the Illinois casino industry. Mr. Swoik announced that last week the American Gaming Association sponsored "Responsible Gaming Week." Mr. Swoik stated that around-the-state participation included training sessions, which reminded casino employees of the importance of responsible gaming, and spotting underage gamblers.

Mr. Swoik stated that the Illinois casino industry continues to honor their commitment to responsible gaming and looks forward to continuing to work with Staff on the Self-Exclusion Program.

### Board Policy Items

RIVERBOAT CRUISING CONTINGENCY PLANS- RESOLUTION TO NO LONGER REQUIRE PLANS FOR: HARRAH'S METROPOLIS, HARRAH'S JOLIET, HOLLYWOOD CASINO, AND EMPRESS CASINO, JOLIET - Interim Administrator Tamayo stated that since 1999, when a licensee purchased a second Illinois property or attempted to sell its vessels, or at times of renewal, the Board would impose a condition requiring that they hold firm to a contingency plan should riverboat cruising be required. Interim Administrator Tamayo stated that the condition was based on the non-severability clause contained in the former legislation. Interim Administrator Tamayo stated that this past

spring, legislation was passed that allowed for the severability. Interim Administrator Tamayo stated that since there is no longer a severability issue, Staff thought it appropriate to bring it before the Board and lift the contingency requirement for all four casinos that are affected – Harrah’s Metropolis, Harrah’s Joliet, Hollywood Casino, and Empress casino. Interim Administrator Tamayo stated that each of the four casinos has been required either through a direct order from the Board, a condition imposed on their license or through an agreement with Staff to maintain a contingency plan. Interim Administrator Tamayo stated that this would allow each of the operators to sell or dismantle any vessel that they have pursuant to all of the standard regulatory approvals.

Member Clark moved that **the Board adopt the following resolution:**

### **RESOLUTION**

**WHEREAS, on June 20, 2003, Public Act 93-0028 became law.**

**WHEREAS, Public Act 93-0028 amends section 11.2 of the Riverboat Gambling Act to include a severability clause, removing the former inseverability-clause language.**

**WHEREAS, no statutory purpose exists to require Harrah’s-Joliet, Harrah’s-Metropolis, Hollywood Casino-Aurora and Empress Casino-Joliet to maintain a contingency plan to cruise in the event that section 11.2 is, in the future, declared unconstitutional.**

**NOW THEREFORE BE IT RESOLVED that the Board hereby removes all prior requirements that Harrah’s-Joliet, Harrah’s-Metropolis, Hollywood Casino-Aurora and Empress Casino-Joliet maintain a contingency plan to cruise.**

Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

### Owner Licensee Items

HARRAH’S ENTERTAINMENT, INC. – REQUEST TO ELIMINATE FINANCIAL OWNERSHIP CONTINGENCY PLAN FOR HARRAH’S METROPOLIS – John Janicik, Attorney, and Lou Anderson, Vice President of Legal, were present on behalf of Harrah’s Entertainment, Inc. to request initial consideration for approval to eliminate financial ownership contingency plan for Harrah’s Metropolis.

Interim Administrator Tamayo stated that at the time that Harrah’s purchased the second property, they were required to execute certain trust documents to the financial contingency plan in place and to maintain it viable at all times. Interim Administrator Tamayo stated that

within the terms of the contract itself, it provided for the occurrence of a reverse trigger event. Interim Administrator Tamayo stated that Staff had a discussion with Harrah's and informed them that Staff would bring it up for initial consideration at today's (August 12, 2003) meeting and for final consideration at September's meeting, so that Staff could go back and look at the trust documents and the original agreement and make sure that Staff are applying it as the reverse trigger event is required to be applied pursuant to those documents.

**CASINO ROCK ISLAND – REQUEST TO CHANGE HOURS OF OPERATION DURING CHRISTMAS HOLIDAY** – Donna More, Attorney, was present on behalf of Casino Rock Island to request approval to change hours of operation during the Christmas holiday.

Based on a review of staff's investigation and recommendation, Member Peterlin moved that **the Board approve Rock Island Boatworks, Inc. d/b/a Casino Rock Island's request to change hours of operation during Christmas holiday.** Furthermore, Member Peterlin moved that **the Board adopt the following resolution:**

#### **RESOLUTION**

**WHEREAS, under Section 5 of the Illinois Riverboat Gambling Act, (Act) the Board may delegate the execution of any of its powers for the purpose of administering and enforcing this act and its rules;**

**WHEREAS, under Section 5 of the Act, the Administrator shall perform any and all duties that the Board shall assign;**

**WHEREAS, under Board Rule 3000.230(d), an applicant or owner licensee must disclose and obtain formal Board approval whenever a change is proposed in the areas specified under the above-referenced rule; and**

**NOW THEREFORE BE IT RESOLVED that the Administrator shall be authorized to approve the following proposed changes:**

- 1. An Owner Licensee's request to increase its total daily hours of operation up to 22 hours;**
- 2. An Owner Licensee's request to maintain its total daily hours of operation, but change its open time and close time; and**
- 3. An Owner Licensee's request to change its total daily hours of operation for a holiday or seasonal event.**

Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

HOLLYWOOD CASINO – REQUEST TO CHANGE HOURS OF OPERATION – Rodney Phillipe, General Counsel, and Pat Medchill, General Manager, were present on behalf of Hollywood Casino to request approval to change hours of operation. Mr. Phillipe stated that since Hollywood Casino's initial request, Hollywood has had the opportunity to submit additional written material to the Administrator, as well as meet with the Administrator and Counsel and further expound on some of the questions and concerns that both Staff and the Board have.

Mr. Phillipe addressed two concerns of the Chairman's: the integrity of gaming and revenues to the State.

Mr. Phillipe stated that integrity of gaming has always been the priority and will continue to be the priority in Hollywood Aurora. Mr. Phillipe stated that Hollywood would continue to work with the Administrator and Staff concerning issues in this area.

Mr. Phillipe stated that in regards to revenues to the State, Hollywood has a duty to maximize its revenue both to the State and to its shareholders. Mr. Phillipe stated that under the 70 Percent Business model, Hollywood has made changes that would have the least impact on its core customers.

Member Clark asked what impact has the change of hours had on Hollywood's employees.

Mr. Phillipe stated that when he looked at the numbers a few weeks ago, it had affected 34 employees. Mr. Phillipe stated that the number may be less today due to employees moving over to another department. Mr. Phillipe stated that Hollywood has tried to the best of their ability to take employees that have been displaced and move them into a newly created position or areas that would have been created on another shift.

Chairman Higginbottom asked what Hollywood's new hours would be.

Mr. Phillipe stated that Hollywood is currently operating from 8:30 A.M. to 6:30 A.M., and would like to change its hours to operate from 10:00 A.M. to 4:00 A.M.

Member Peterlin stated that it would be important to continue to monitor what happens to some of the employees that have been displaced so when the Board looks at this six months from now, the Board could see what really happened to some of the employees.

Based on a review of staff's investigation and recommendation, Member Clark moved that **the Board approve Hollywood Casino – Aurora's request to change hours of operation to 10:00 a.m. – 4:00 a.m.** Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

HARRAH'S CASINO, JOLIET – REQUEST TO CHANGE HOURS OF OPERATION – Michael St. Pierre, General Manager was present on behalf of Harrah's Casino, Joliet to request approval to change Harrah's hours of operation.

Mr. St. Pierre stated that Harrah's has submitted a substantial amount of information in response to the Board's concerns. Mr. St. Pierre stated that on the 25<sup>th</sup> of July, 73 employees were alerted that their positions were no longer going to be available for them. Mr. St. Pierre stated that since that time, 15 of those employees have found employment with Harrah's Joliet or an affiliated Harrah's Casino property. Mr. St. Pierre stated that in regards to unfilled vacancies, about 175 positions have been eliminated through just attrition and unfilled vacancies within the last year. Mr. St. Pierre stated that there are approximately 250 people who are no longer employed at Harrah's Casino, Joliet.

Chairman Higginbottom asked if the change of hours would have an effect on the amount of goods purchased from Harrah's outside vendors.

Mr. St. Pierre stated that it has. Mr. St. Pierre stated that vendors would see a reduction of receipts from Harrah's.

Mr. St. Pierre introduced the Board to Carlos Tolosa, Division President for Harrah's Eastern Division to address the Board's concerns regarding the advertising of the Indiana property in Illinois.

Based on a review of staff's investigation and recommendation, Member Clark moved that **the Board approve Des Plaines Development Limited Partnership d/b/a Harrah's Casino, Joliet's request to change hours of operation to 10:00a.m. – 4:00 a.m., seven days a week.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

EMPRESS CASINO – REQUEST TO CHANGE HOURS OF OPERATION – James Butler, Corporate Counsel, and Jeff Pfifer, General Manager, were present on behalf of Empress Casino, Joliet to request approval to change Empress' hours of operation.

Mr. Butler stated that Empress has made several detailed submissions to Staff. Mr. Butler stated that staff at Empress has made themselves available to answer questions that Staff may have had.

Mr. Butler stated that he is reluctant to speak publicly about the actual number of employees that the change of hours would effect, however, Mr. Butler stated that there are probably many people thinking numbers are higher than what they actually are. Mr. Butler stated that wherever Empress could reduce through attrition, they will.

Based on a review of staff's investigation and recommendation, Member Clark moved that **the Board approve Empress Casino Joliet's request to change hours of operation to**

**10:00 a.m. – 4:00 a.m., seven days a week.** Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

ALTON BELLE CASINO – REQUEST TO CHANGE HOURS OF OPERATION – James Butler, Corporate Counselor, and Rich Lauden, General Manager, were present on behalf of Alton Belle Casino to request approval to change Alton’s hours of operation.

Based on a review of staff’s investigation and recommendation, Member Clark moved that **the Board approve Alton Gaming Company d/b/a Alton Belle Casino’s request to change hours of operation to 10:00 am. – 4:00 a.m., seven days a week.** Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

PAR-A-DICE – PAULA E. EYLAR, VICE PRESIDENT OF INTERNAL AUDIT – KEY PERSON – Donna More, Attorney, was present on behalf of Paula E. Eylar to request approval as a Key Person.

Based on a review of the staff’s investigation and recommendation, Member Peterlin moved that **the Board approve Paula E. Eylar as a Key Person of Par-A-Dice Gaming Corporation.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

PAR-A-DICE – KRISTINA KAY O’DONOHUE, INTERNAL AUDITOR – LEVEL ONE- Donna More, Attorney, and Kristina O’Donohue were present to request approval as a Level One Licensee for Ms. O’Donohue.

Based on a review of the staff’s investigation and recommendation, Member Peterlin moved that **the Board approve Kristina Kay O’Donohue as a Level 1 Occupational Licensee of Par-A-Dice Gaming Corporation.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA CASINO – FRANK G. SMITH, INTERNAL AUDITOR – LEVEL ONE – Donna More, Attorney, was present to request approval as a Level One Licensee.

Based on a review of the staff’s investigation and recommendation, Member Clark moved that **the Board approve Frank G. Smith as a Level 1 Occupational Licensee of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Dugan seconded the motion. Member Peterlin refrained from the vote.

#### Occupational Licensees

Based on staff’s investigation and recommendation, Member Peterlin moved that **the Board approve 26 applications for an Occupational License Level 2 and 51 applications for an Occupational License Level 3.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.



- In Re The Disciplinary Action of Daisy Martin

Member Peterlin moved that **the Board adopt the following resolution:**

#### **RESOLUTION**

**WHEREAS, on June 17, 2003, the Illinois Gaming Board voted to issue a disciplinary complaint to revoke the occupational license held by Daisy Martin based on records obtained from the Clerk of the Circuit Court of Rock Island which revealed that Martin had a March 11, 2002 for Retail Theft conviction.**

**WHEREAS, on June 18, 2003, the Board received records from the Clerk of the Circuit Court of Rock Island which revealed that on February 18, 2003 Martin's Retail Theft conviction was modified to six months supervision, retroactive to March 11, 2002.**

**WHEREAS, based on the foregoing information, Martin does not have a conviction for Retail Theft that would preclude licensure under section 9(a)(2) of the Riverboat Gambling Act.**

**NOW THEREFORE BE IT RESOLVED that the Board hereby rescinds its June 17, 2003 motion to issue a disciplinary complaint against Martin.**

Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

#### Proposed Complaints and Disciplinary Actions

- In Re The Disciplinary Action of Crystal Moore

Based on a review of Staff's investigation and recommendation, Member Peterlin moved that **the Board issue a disciplinary complaint against Crystal Moore, a Level 3 Occupational Licensee, for failing to comply with the Riverboat Gambling Act and the Board's Adopted Rules in relation to Crystal Moore's (1) failure to promptly update her October 30, 2002 arrest for forgery and (2) for providing false information to police investigators during the course of an investigation.**

Further, Member Petelin moved that **the Board revoke Crystal Moore's occupational license. Said action will take affect twenty-one (21) days from the date of service of the Complaint unless the licensee files an answer within that time period.** Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

At 3:33 P.M. Member Peterlin moved that the Board adjourn. Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,  
Monica Thomas

Secretary to the Board